

ORDINANCE NO. 2016-06

AN ORDINANCE AMENDING ORDINANCE NO. 04-10; AUTHORIZING A REVISED REPAYMENT SCHEDULE AND LOWER INTEREST RATE FOR THE OUTSTANDING CITY OF MALVERN, ARKANSAS CAPITAL IMPROVEMENT REFUNDING REVENUE BOND (WATERWORKS PROJECT), SERIES 2004A; PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY.

WHEREAS, the City of Malvern, Arkansas (the "City") has issued its Capital Improvement Refunding Revenue Bond (Waterworks Project), Series 2004A, dated June 23, 2004 (the "Bond") in order to finance extensions, betterments and improvements to the water facilities of the City's water and sewer system; and

WHEREAS, the City entered into a Bond Purchase Agreement, dated January 19, 2001, with the Arkansas Natural Resources Commission (the "Commission") and the Arkansas Development Finance Authority (the "Bondholder"), as amended by a First Supplemental Bond Purchase Agreement dated as of April 15, 2004 (collectively, the "Bond Purchase Agreement"), providing for the purchase by the Bondholder of the Bond in the principal amount of \$3,030,748.52; and

WHEREAS, the Bond bears interest at the stated rate of 2.50% per annum and the Commission and the Bondholder have agreed to lower the interest rate on the Bond to 1.50% if the City will not exercise its right to redeem the Bond until April 15, 2026; and

WHEREAS, the City pays the Bondholder a financing fee of 1.0% per annum of the outstanding principal amount of the Bond; and

WHEREAS, the City will realize debt service savings as a result of the reduction in the interest rate on the Bond; and

WHEREAS, the Bond was issued under and pursuant to Ordinance No. 04-10, adopted May 10, 2004;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Malvern, Arkansas:

Section 1. Ordinance No. 04-10 is hereby amended by changing "2.50%" in all places to "1.50%" as the interest rate on the Bond.

Section 2. Section 1 of Ordinance No. 04-10 is hereby amended by adding at the end thereof the following:

"Notwithstanding the above, effective April 15, 2016, the principal repayment schedule for the bond shall be changed to reflect an outstanding principal balance of the bond in the principal amount of \$2,077,438.83. Such principal amount shall be payable in installments on October 15, 2016 and each April 15 and October 15 thereafter until the unpaid principal is paid in full as follows:

<u>Date</u>	<u>Principal Amount</u>	<u>Date</u>	<u>Principal Amount</u>
10/15/16	\$53,199.83	10/15/24	\$64,897.00
04/15/17	53,864.00	04/14/25	65,708.00
10/15/17	54,537.00	10/15/25	66,529.00
04/15/18	55,219.00	04/15/26	67,361.00
10/15/18	55,909.00	10/15/26	68,203.00
04/15/19	56,608.00	04/12/27	69,055.00
10/15/19	57,315.00	10/15/27	69,919.00
04/15/20	58,032.00	04/15/28	70,792.00
10/15/20	58,757.00	10/15/28	71,677.00
04/15/21	59,492.00	04/15/29	72,574.00
10/15/21	60,235.00	10/15/29	73,481.00
04/15/22	60,989.00	04/15/30	74,399.00
10/15/22	61,751.00	10/15/30	75,329.00
04/15/23	62,523.00	04/15/31	76,271.00
10/15/23	63,304.00	10/15/31	77,224.00
04/15/24	64,095.00	04/15/32	78,190.00

Section 3. The Mayor, for and on behalf of the City, is hereby authorized and directed to enter into a supplement to the Bond Purchase Agreement having terms consistent with the provisions of this Ordinance.

Section 4. The Mayor and City Clerk, for and on behalf of the City, are authorized to execute and deliver a new bond certificate providing (a) that this Ordinance has been adopted, (b) for the new principal payment schedule, (c) for the new principal amount, (d) for the new interest rate, (e) for no optional redemption until April 15, 2026, and (f) such other terms as consistent with this Ordinance. The new bond certificate shall be a bond issued under the provisions of Ordinance No. 04-10 and shall be entitled to the benefits, security and terms of Ordinance No. 04-10, except as to the repayment terms set forth herein.

Section 5. The provisions of this Ordinance are hereby declared to be separable, and if any provision shall for any reason be held illegal or invalid, it shall not affect the validity of the remainder of this Ordinance.

Section 6. All ordinances and resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 7. Ordinance No. 04-10, as amended and supplemented hereby, shall remain in full force and effect.

Section 8. It is hereby ascertained and declared that this Ordinance must be effective immediately in order to lower the interest rate on the Bond. Therefore, it is declared that an emergency exists and this Ordinance being necessary for the preservation of the public peace, health and safety shall be in force and take effect immediately upon and after its passage.

PASSED: June 13, 2016.

APPROVED:

Brenda J. J. J.  
Mayor

ATTEST:

Roger Deal  
City Clerk

(SEAL)

CERTIFICATE

The undersigned, City Clerk of the City of Malvern, Arkansas (the "City"), hereby certifies that the foregoing pages are a true and perfect copy of Ordinance No. 2016-06 adopted at a regular session of the City Council of the City, held at the regular meeting place in the City at 7 o'clock p.m., on the 13<sup>th</sup> day of June, 2016, and that the Ordinance is of record in Ordinance Record Book No. 2016, Page 06, now in my possession.

2016.

GIVEN under my hand and seal on this 14<sup>th</sup> day of June,

Reggie L. Reed  
City Clerk

(SEAL)